



▶ FY21 Budget Update

September 24, 2020



Agenda

- Recap of 9/10 budget outlook
- Indicators
 - Containment and new re-opening framework
- Other Operators Update
- Summary / Next Steps

9/10 Recap: Summary

Ridership Data







- **Remaining BART riders are mostly essential workers**; many lack access to a car and have low incomes. Stations serving lower income neighborhoods are now among our busiest.
- **Current distribution of trips by time is similar to pre-COVID**, average trip length and average fare fell sharply and first, but have bounced back since April
- **Most peer US rail services continue to have very low ridership**, as do air carriers
- **Many factors influence ridership recovery**, each with great uncertainty. Vaccine timing and efficacy, confidence in transit, and the timing of return to on-site work are critical factors.

Budget Update

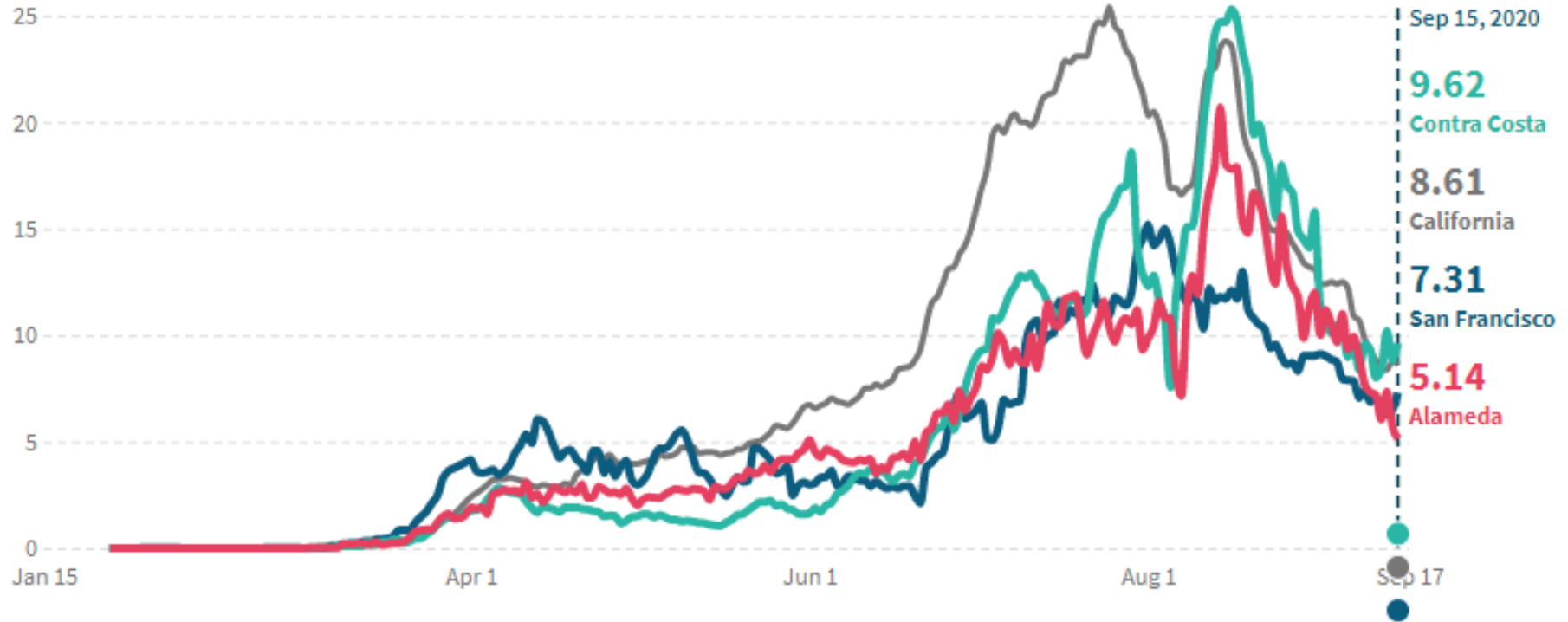
- **COVID Expenses are projected to be below budget**, but we continue to monitor needs
- **Staff is preparing options to address the projected serious FY21 operating budget shortfall**; these will consider cost reductions (labor and non labor), revenue strategies, and one-time resources
- **Additional federal and state funding is required** to avoid damaging cuts to essential service

→ **Directors asked for follow up information about Bay Area + CA operator ridership and service levels**

Key Indicators Staff Are Monitoring

Revenue Category	Outcome	Impact
Estimated FY20 Year-end Result	FY20 close action item on agenda	
COVID Containment	Containment still distant, but situation improving. Emerging indications that containment in other places not significantly impacting ridership	
Fare Revenue	Ridership levelled off at 12% of pre-COVID baseline	
FY21 Sales Tax	BART sales tax receipts were \$3.6M (10%) above budget through August, but approximately \$2.3M (6%) below budget after excluding late payments received from taxable sales activity that occurred in prior periods	
FEMA reimbursement	First claim (\$1.9M) submitted in August, second claim being prepared by staff	
Federal Emergency Assistance	No update; federal assistance not included in FY21 or FY22 revenue projections	

COVID Containment: New Cases Dropping



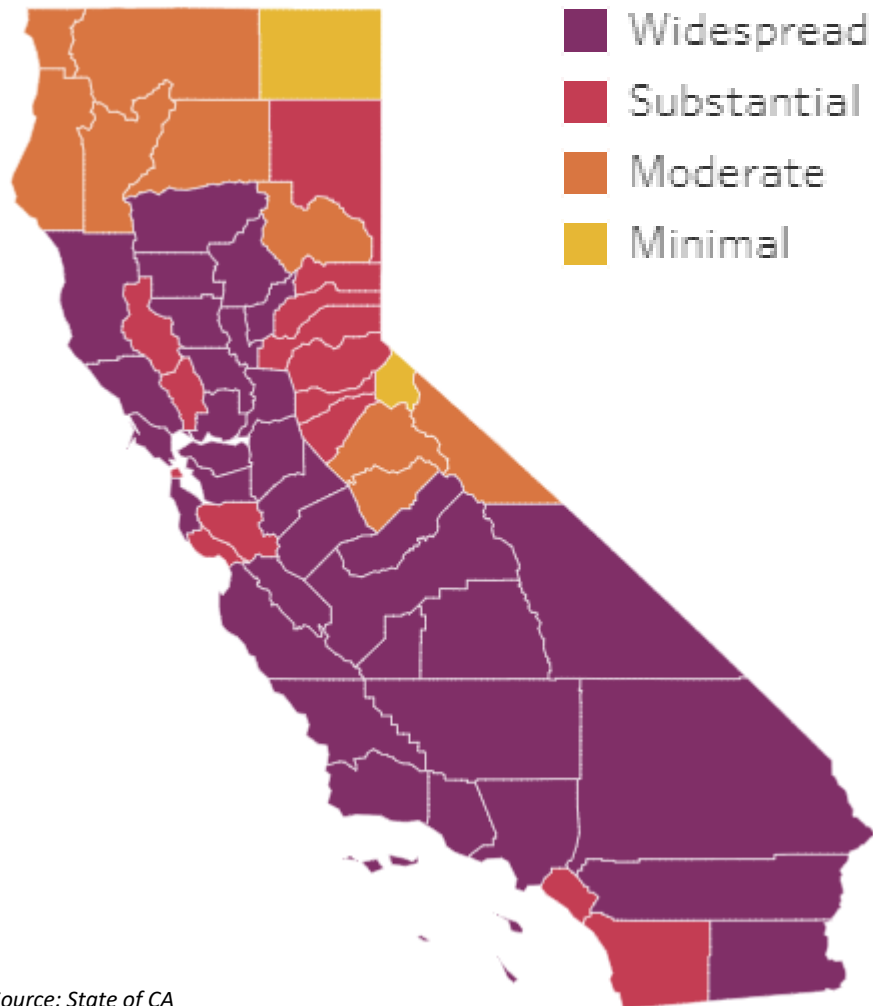
Source: www.TrackTheRecovery.org
 Accessed 9/17/20

California has adopted a new re-opening framework

County risk level	New cases	Positive tests
<p>WIDESPREAD</p> <p>Many non-essential indoor business operations are closed</p>	<p>More than 7</p> <p>daily new cases (per 100k)</p>	<p>More than 8%</p> <p>Positive tests</p>
<p>SUBSTANTIAL</p> <p>Some non-essential indoor business operations are closed</p>	<p>4 - 7</p> <p>daily new cases (per 100k)</p>	<p>5 - 8%</p> <p>Positive tests</p>
<p>MODERATE</p> <p>Some indoor business operations are open with modifications</p>	<p>1 - 3.9</p> <p>daily new cases (per 100k)</p>	<p>2 - 4.9%</p> <p>Positive tests</p>
<p>MINIMAL</p> <p>Most indoor business operations are open with modifications</p>	<p>Less than 1</p> <p>daily new cases (per 100k)</p>	<p>Less than 2%</p> <p>Positive tests</p>

Source: State of CA
 Accessed 9/11/20

BART counties showing mixed progress



BART Counties by Status:

San Francisco

Alameda

Contra Costa

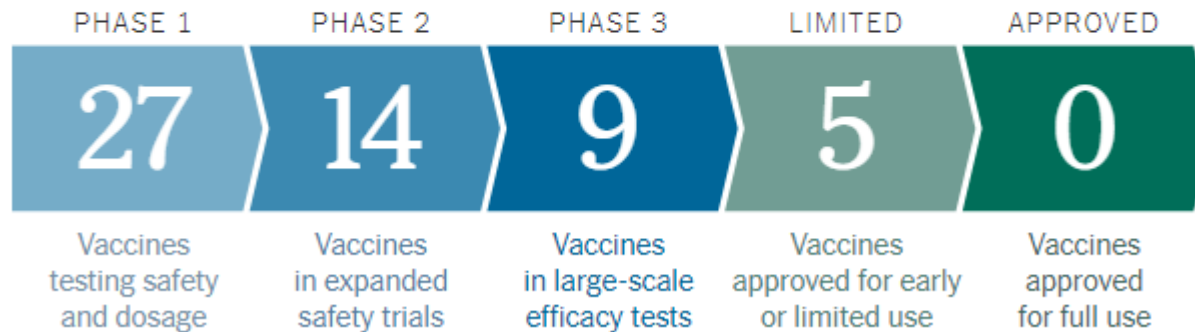
San Mateo

Santa Clara

Ridership recovery largely dependent on vaccine development progress

Coronavirus Vaccine Tracker

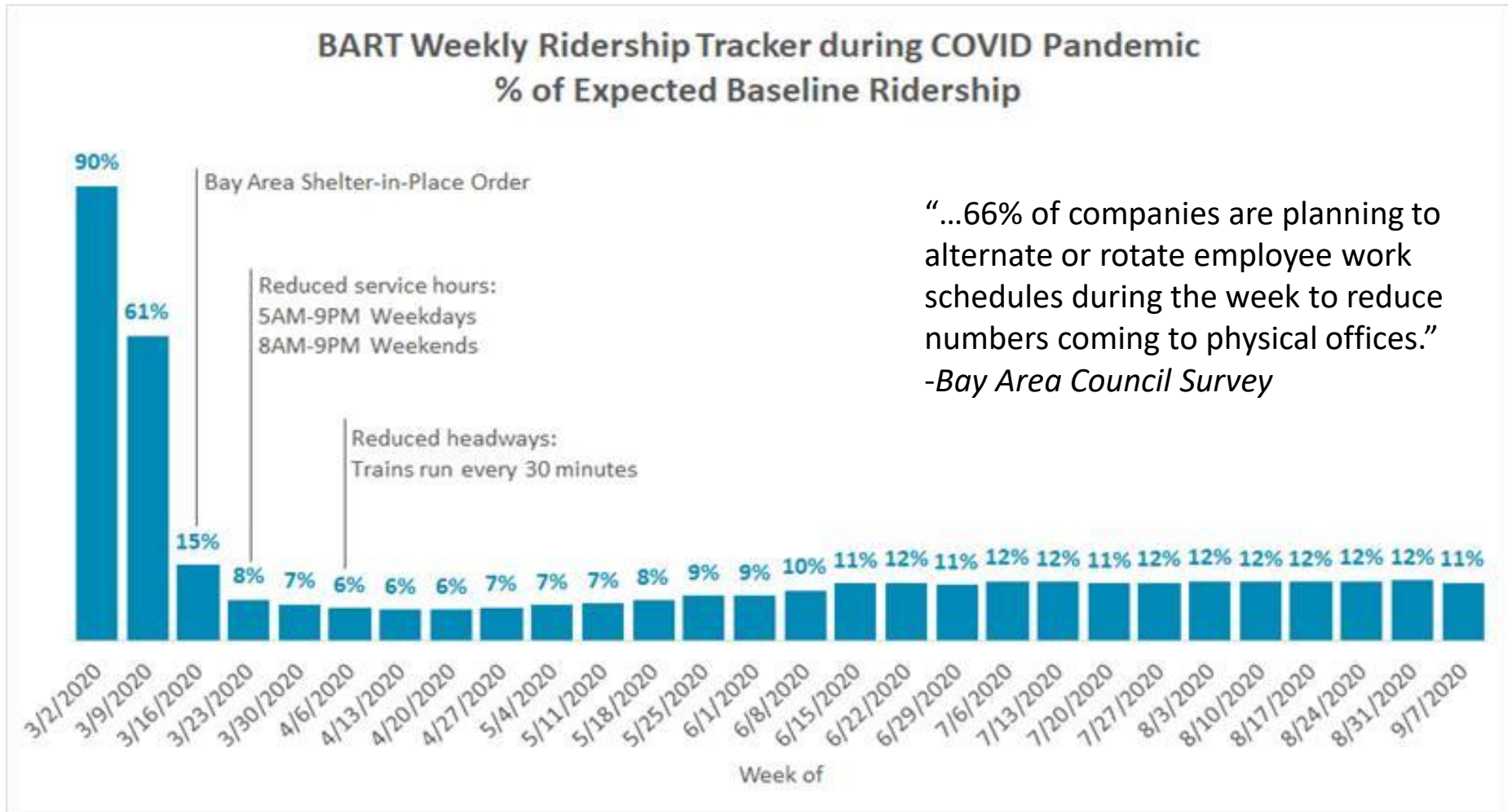
By Jonathan Corum, Sui-Lee Wee and Carl Zimmer Updated September 17, 2020



Source: NYTimes.com
Accessed 9/17/20

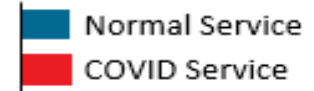
- **Vaccine research is proceeding**
- **Major uncertainty:** How soon can a vaccine be approved? How effective will it be? How quickly can it be made widely available? How much and how quickly will it result in behavior change?
- **Other active research** with potential to influence travel behavior before a vaccine: monoclonal antibody treatments; rapid testing

Ridership flat at around 12% of pre-COVID baseline



“...66% of companies are planning to alternate or rotate employee work schedules during the week to reduce numbers coming to physical offices.”
 -Bay Area Council Survey

Peer rail systems have not seen major increases in ridership as service frequency has returned to normal levels



System	Changes	Daily service Hours	Service frequency Min/line	Additional notes	Ridership YTD %, July '20
BART	<ul style="list-style-type: none"> Hours Frequency 			Had reduced service frequency to 30 minute headways; returned to 15 minute peak hour service on Sep 14 th	12%
WMATA	<ul style="list-style-type: none"> Hours Frequency Closures (stations) 			Reopened 19 closed stations on Jun 28 th , reached 20 minute headways	10%
MARTA	<ul style="list-style-type: none"> Schedule (Sunday) 			Modified weekend schedules	28%
LA Metro	<ul style="list-style-type: none"> Schedule (hybrid) 			Plans increase service in areas where and when they see demand growing.	52%
SF Muni Metro	<ul style="list-style-type: none"> Closures (service) 			Will remain shut for further updated service arrangements	0%
Caltrain	<ul style="list-style-type: none"> Hours Frequency Closure (stations) 			Initially reduced to 42 of the 92 train schedule, using skip-stop service, but returned to 70 trains per day in June	7%
MBTA	<ul style="list-style-type: none"> Schedule (Saturday and ad-hoc) 			Ramped up weekday service from 13 to 9 min/line frequency, to prevent over crowding	20%
AC Transit (bus only)	<ul style="list-style-type: none"> Schedule (Sunday) Closures (service) 			Operates with minor times changes from Sunday schedule. Shuttle service not operating	44%
NJ Transit	<ul style="list-style-type: none"> Schedule (holiday and ad-hoc) 			Had been reduced to 20 minute headways, but resumed full weekday service July 6th	17%
NY MTA	<ul style="list-style-type: none"> Hours 			Subway service from 1 AM to 4 AM not running until further notice, time used for cleaning	26%

Summary

Indicators: Slow improvement on containment since June, ridership flat but some city and county re-openings are planned/in progress

Looking Forward

- **Cost cutting options for consideration and potential budget revision to the Board in October**
- **Budget revision will incorporate expense and revenue projections in line with what has previously been presented to the Board**, including current revenue projections and load shedding/other service-related savings
- **Budget revision will include additional savings from current reduced service levels**; if Board-approved service plan expenses are in excess of projected revenues, budget revision may assume additional revenues (likely reserves) to balance; this may be revisited through a subsequent budget revision

Board Calendar 2020

Planned Dates	Topic
September 24	FY20 Year End Close Resolution FY21 Budget Update
October 8	FY21 Budget Revision discussion (sources and uses), potential service plans
October 22	FY21 Budget Revision
November 19	FY21 Budget Update
December 3	FY21 Budget Update



Discussion

